



Wellard

ASX Announcement

11 June 2019

Update on debt restructure

Wellard Limited (ASX:WLD) (**Wellard** or the **Company**) provides the following update on its debt restructure.

As announced on 1 April 2019, Wellard agreed a standstill with its noteholders in respect of certain defaults existing under its notes. The standstill period was scheduled to end on 30 September 2019, and during the standstill period Wellard was to grant certain security to the noteholders. Wellard has not been able to grant security to the noteholders, so under the terms of the standstill agreement, the standstill period ended on 7 June 2019.

Because the standstill period has ended, the noteholders are again entitled under the terms of the note documentation to demand immediate repayment of their outstanding notes due to the defaults. The current outstanding principal amount of the notes is US\$15,500,000.

The noteholders have reserved their rights, but they have said they will continue to negotiate in good faith with Wellard to achieve a mutually acceptable solution. The end of the standstill period has triggered an increase in the note interest rate to 21% per annum and an increase of the monthly redemption amounts to US\$1,000,000, and Wellard will be discussing these with the noteholders.

Prior to signing of the standstill agreement, defaults on the notes constituted cross defaults under certain of Wellard's other financing arrangements. This cross-default was remedied during the standstill period. The end of the standstill period places Wellard in a similar position with respect to the note defaults creating cross defaults. Wellard is communicating with its other financiers in respect of this situation.

Wellard remains up to date on all payments to its financiers.

The Board continues to actively consider its options, including any opportunities to restructure its balance sheet and/or sell a ship. However, it is not certain that any such opportunities will arise or be completed in the short term.

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